



FY 2011 Fiscal Update

Board of Supervisors Business Meeting
December 15, 2009



FY 2009 Year-End Close

- General Government & Schools Funds Analyzed and Balanced at Year-End
- Maintained Board 10% Fiscal Reserve Policy
- \$37.9M Fund Balance Budgeted for FY 10 Use
- Additional Carry-Over
 - Nominally Zero (\$5.6M)
- FY 2009 CAFR Item to FGSO 12/16/2009

FY 2010 Revenue Outlook



- Real Property Assessments Down from Jan 1, 2009 to Jan 1, 2010
 - Residential (Class 100 + 200) : -5.0%
 - Commercial/Industrial (Class 400) : -8.6%
- Forecast vs. Budgeted (Net)¹ : Down \$18M

¹County Internal Revenue Committee (includes Real Property, Other Local Tax Funding)

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FY 2010 Year-End Forecast



- \$10M Savings Achieved in Debt Service Fund
 - No Fall 2009 Issuance
- State Compensation Board Mid-Year Reduction
- Maintain Board 10% Fiscal Reserve Policy
- No Fund Balance Available for FY 11 Use
- No Additional Carry-Over

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FY 2011 Revenue Outlook



- Real Property Assessments Down from Jan 1, 2010 to Jan 1, 2011
 - Residential (Class 100 + 200) : -1.0%
 - Commercial/Industrial (Class 400) : -5.0%
- Forecast Revenues (Net)¹ : Down \$39M

¹ County Internal Revenue Committee (includes Real Property, Other Local Tax Funding)

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Change from FY 10 to FY 11 in Available Resources



Available Resources (\$ Millions)	Sep 2, 2009 Presentation	Dec 15, 2009 Update
Penny from FY 2010 Budget Process	\$ 7.5	\$ 6.8
Debt Service Fund Balance	(6.7)	(17.7)
General Govt Uncommitted Fund Balance	(37.1)	(37.1)
LCPS Fund Balance	(3.2)	(8.2)
Real Property Taxes	(30.7)	(42.1)
Other Revenues (BPOL, Fees)	(2.4)	3.2
Total Available Resources	\$ (72.6)	\$ (95.1)

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Change from FY 10 to FY 11 in Demands on Local Tax Funding



Need for Local Tax Funding (\$ Millions)	Sep 2, 2009 Presentation	Dec 15, 2009 Update
County Operating Increase	\$ 9.6	\$ 14.7
School Operating Increase	35.7	69.8
Capital Program (10% Policy)	8.2	0.0
OPEB Contribution	5.0	0.0
Debt Service	25.7	12.0
Total Need for Local Tax Funding	\$ 84.2	\$ 96.5
Net Additional Demand for Local Tax Funding	\$ (156.8)	\$ (191.6)

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Estimated Tax Rate Impact



Tax Rate	Estimated Funding Gap	
\$ 1.245	(\$191.6M)	Current FY 2010 Tax Rate
\$ 1.393	(\$84.5M)	0% Increase in Local Tax Funding
\$ 1.442	(\$48.8M)	5% Increase in Local Tax Funding
\$ 1.509	\$ 0.0M	Fund Increased Debt Service & Base Enhancements • 3,257 Additional Students • Increased Health & Retirement Expenses

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FY 2011 Budget Challenges



- Revenues Down \$39M from FY 10
- Debt Service Up \$20M from FY 10
- Health Care Up 10-12%
- General Government Retirement Potentially Up \$2M
- 3,257 More Students Expected in Schools
- Schools Retirement Potentially Up \$20M
- No FY 10 Fund Balance Available for FY 11 Use
- Commonwealth Budget Not Adopted until March 2010
- No New Stimulus Funding

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FY 2011 Budget Direction



Operating Fiscal Plan October 20, 2009

- 0% Increase
 - 0% increase in locally tax-funded expenditures from FY 10 Operating Appropriations for General Government and School Fund
- 5% Increase
 - 5% increase in locally tax-funded expenditures from FY 10 Operating Appropriations for General Government and School Fund

Capital Improvement Plan November 4, 2009

- Meet Debt Allocation Guidelines
 - Maintain debt ratios within policy ranges
- Policies and Priorities
 - Minimize impact on operating expenses for the next three years
 - Maximize cash proffers use on capital projects
 - Expand utilization of existing facilities
 - Prioritize public health and safety projects

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FY 2011 Budget Milestones



- Loudoun County Public Schools

- ✓ December 1, 2009

- Recommended Capital Improvement Program Adopted
 - Complies with Board Direction
 - Recommended Capital Asset Preservation Program Adopted
 - FY 11 Funding Request = \$0; will use fund balance

- January 26, 2010

- Adopt Recommended FY 11 Operating Fiscal Plan

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FY 2011 Budget Milestones



- General Government

- ✓ November 12, 2009

- ✓ Committee of the Whole + School Board

- ✓ December 8 & 10, 2009

- ✓ Public Input Sessions

- January 30, 2010

- Community Dialogue Budget Workshop

- February 8, 2010

- County Administrator presents FY 2011 Proposed Fiscal Plan

- February – March 2010

- Budget Worksessions & Board Deliberations

- Public Hearings

- April 2010

- Board Adopts Tax Rates and Appropriations Resolution

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